

## Message Text

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ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 ADP-00 IO-13 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SS-15 USIA-15 NIC-01 ACDA-19 RSR-01 SCEM-02

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 /214 W

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R 131020Z AUG 73

FM USINT CAIRO

TO SECSTATE WASHDC 3582

INFO AMEMBASSY BEIRUT

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 1 OF 2 CAIRO 02430

EO 11652: GDS

TAGS: PFOR EG

SUBJECT: GOE WORKING PAPER AND REVIEW OF FUTURE  
OPTIONS

1. EGYPTIAN POLICY, BOTH DOMESTIC AND FOREIGN, IS ENTERING A PERIOD OF INTENSIVE REVIEW. IN HIS JULY 23 SPEECH, SADAT ANNOUNCED THAT A DEBATE WOULD BE HELD WITHIN EGYPT'S POLITICAL INSTITUTION ON THE OUTLINES OF A NEW LONG-TERM POLICY. THE FIRST STEP WAS A DOCUMENT ENTITLED, "A WORKING PAPER FOR A NATIONAL DIALOGUE," PREPARED JOINTLY BY THE ASU AND THE PEOPLES ASSEMBLY AND RELEASED PUBLICLY ON AUGUST 4.

2. THE PAPER IS DIVIDED INTO SEVERAL SECTIONS. THE FIRST IS A REVIEW OF EVENTS SINCE 1967, WITH PARTICULAR EMPHASIS ON PRESSURES AND CHANGES TO WHICH EGYPT HAS BEEN SUBJECTED. THE SECOND SECTION FORCUSES SPECIFICALLY ON INTERNATIONAL  
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CHANGES, NOTING THAT THE MOST IMPORTANT TO HAVE OCCURRED

WAS THE US/SOVIET DETENTE, WHICH LINKED BOTH NATIONS BY AN IDENTITY OF INTERESTS. THIS SECTION ALSO NOTES THE EMERGENCE OF NEW REGIONAL GROUPINGS SUCH AS WESTERN EUROPE AND THE ARAB PETROLEUM PRODUCING COUNTRIES.

3. SECTION THREE IS DEVOTED TO ECONOMIC CHANGES. IT STATES THAT INTERNATIONAL ECONOMIC LIBERALISM AND THE ESTABLISHMENT OF COMMON INTERESTS BETWEEN COUNTRIES OF DIFFERENT ECONOMIC SYSTEMS, SUCH AS THE US AND THE USSR, HAD BEEN A DISTINGUISHING FEATURE OF THE POST-1967 PERIOD. TWO SUBSEQUENT SECTIONS ARE GIVEN TO SCIENTIFIC AND SOCIAL CHANGES. THE PAPER FOCUSES ON THE EFFECTS OF THE MANUFACTURE OF WEAPONS OF MASS DESTRUCTION AS WELL AS CONVENTIONAL ARMS. REGARDING SOCIAL CHANGES, THE WORLD POPULATION EXPLOSION AND EMERGING PATTERNS OF WORLD MIGRATION HAVE HAD THEIR EFFECT.

4. AT THIS POINT THE PAPER RETURNS TO THE US/SOVIET DETENTE. IT STATES THAT EGYPT IS NOT AGAINST SUCH DETENTE AS LONG AS IT IS NOT AT EGYPT'S EXPENSE, BUT, THE PAPER NOTES, DETENTE HAS PERMITTED THE US TO MOVE BOLDLY IN SUPPORTING ISRAEL AND HAS CAUSED HER TO TRY TO MOVE THE MIDDLE EAST QUESTION OUT OF THE UN. IN EFFECT, THE ME HAS BECOME PART OF THE STRATEGY OF THE TWO SUPERPOWERS; AND EGYPT'S ABILITY TO INFLUENCE THESE POWERS IS MORE RESTRICTED NOW THAN AT ANY TIME IN THE PAST.

5. THE PAPER STATES THAT EGYPT SHOULD DO THE FOLLOWING: (A) MAINTAIN ITS FRIENDSHIP WITH THE SOVIET UNION WHILE KEEPING IT IN "ITS TRUE PERSPECTIVE." (B) STRENGTHEN NEW FRIENDSHIPS. (C) STRENGTHEN ITS POLICY OF NON-ALIGNMENT TO CONFRONT THE US/SOVIET DETENTE SO THAT THE DETENTE MAY NOT BE ACHIEVED AT THE EXPENSE OF SMALLER COUNTRIES. (D) DEPEND ON HER OWN POWER AND ON ARAB STRENGTH IN VARIOUS FIELDS. THE PAPER MAKES SPECIFIC REFERENCE TO ARAB OIL AND ARAB CAPITAL INVESTED ABROAD WITHIN THE CONTEXT OF THE ARAB WORLD'S CAPACITY TO STRENGTHEN ITS POSITION. THE ARAB LEAGUE, THE CAR AND LIBYAN/EGYPTIAN UNION SHOULD BE SUPPORTED. MILITARILY, NEW EFFORTS SHOULD BE MADE TO STRENGTHEN THE EASTERN FRONT; NEW

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ARMS SOURCES SHOULD BE FOUND; AND ARMS FACTORIES SHOULD BE CONSTRUCTED IN EGYPT.

6. VARIOUS METHODS ARE PROPOSED TO STRENGTHEN THE ARAB ECONOMY. THE PAPER CALLS FOR THE "OPENING UP" OF THE EGYPTIAN ECONOMY AND STATES THAT "THE ROLE OF THE PUBLIC SECTOR . . . SHOULD BE STRESSED, BUT SHOULD NOT UNDERMINE THE IMPORTANCE OF THE PRIVATE SECTOR." BRIEFLY, THE

PAPER NOTES THAT THE MUSTERING OF ALL POTENTIALS IS NECESSARY IN THE STAGE OF TOTAL CONFRONTATION. THE FINAL PART OF THE PAPER IS ESSENTIALLY A RECAPITULATION OF ITS MAIN POINTS.

7. THE WORKING PAPER IS NOTEWORTHY FOR SEVERAL REASONS. FIRST AMONG THESE IS THAT ITS TONE IS REASONED AND DELIBERATE. IT DOES NOT CALL FOR WAR, MENTIONS "THE BATTLE" ONLY IN PASSING, AND ENVISIONS A PROCESS OF GRADUAL ADAPTATION BY EGYPT TO CONFRONT HOSTILE PRESSURES. THE PAPER STATES THAT IT IS IN EGYPT'S INTEREST TO MAINTAIN A CONSTRUCTIVE RELATIONSHIP WITH THE SOVIET UNION, BUT PUTS NO EMPHASIS ON IMPROVING THESE RELATIONS BEYOND THEIR PRESENT LEVEL. ECONOMICALLY, THE PAPER REAFFIRMS ATTITUDE REGARDING FOREIGN INVESTMENT THAT HAS BEEN VISIBLE FOR THE PAST TWO YEARS. FINALLY, THE PAPER'S EMPHASIS ON SELF-STRENGTHENING AND DEPENDENCE ON SUPPORT WITHIN THE ARAB WORLD IS INDICATIVE OF A PHILOSOPHICAL CHANGE, ONE RECOGNIZING THAT THE NON-ARAB WORLD, WHATEVER ITS WORDS, HAS DONE LITTLE TO HELP EGYPT ATTAIN HER PRIMARY POLITICAL GOAL OF AN ACCEPTABLE TERRITORIAL SETTLEMENT WITH ISRAEL. A REMEDY FOR THIS, IT IS SUGGESTED, LIES WITHIN THE ARABS'--AND EGYPT'S--OWN CAPACITIES, ALTHOUGH THE PROCESS WILL BE SLOW, DELIBERATE AND BASED ON "SOUND ANALYSIS."

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INFO AMEMBASSY BEIRUT  
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C O N F I D E N T I A L SECTION 2 OF 2 CAIRO 02430

9. OTHER ARTICLES BY MAJOR WRITERS WHICH HAVE APPEARED IN THE CAIRO PRESS REINFORCE THE VIEW THAT THE WORKING PAPER IS A MATTER OF STRONG CONCERN WITHIN EGYPTIAN GOVERNMENT. AUGUST 3 EDITORIAL BY AL-MUSSAWWAR CHIEF EDITOR FIKRIABAZA, FOR EXAMPLE, DEALT WITH SUBJECT OF LONG-RANGE PLANNING WITH WHICH EGYPT NEEDED TO ENGAGE HERSELF. HE SUGGESTED SPECIFIC ACTS, SUCH AS AMENDING CHARTERS OF UN AND ARAB LEAGUE, DECENTRALIZING THE GOVERNMENT, AND STRENGTHENING THE CAR AND LIBYAN/EGYPTIAN UNION. MORE IMPORTANT, HIS VIEWS PARALLEL THOSE OF THE WORKING PAPER BY CALLING FOR THE ESTABLISHMENT OF AN INDIGENOUS ARMS INDUSTRY, BY URGING THE DEVELOPMENT OF A PRIVATE ECONOMIC SECTOR AND ENCOURAGEMENT OF FOREIGN CAPITAL INVESTMENT, AND BY ITS NON-BELIGERENT TONE. ABAZA DID NOT ONCE MENTION "THE BATTLE," OR EVEN ISRAEL. ANOTHER WRITER, IHSAN ABDEL QUDDUS, STATED FLATLY IN AUGUST 4 AKHBAR AL-YAWM THAT EGYPT WAS ON THE BRINK OF A NATIONAL DEBATE ABOUT THOSE INTERNATIONAL FACTORS WHICH HAD AFFECTED THE  
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COUNTRY. HIS CENTRAL THESIS WAS THAT THE US/SOVIET DETENTE IS ONE OF MOST IMPORTANT FACTORS CREATING PRESSURES FOR CHANGE IN EGYPT. LIKE ABAZA, QUDDUS PLACED LITTLE EMPHASIS ON AN IMMEDIATE SOLUTION TO THE CONFLICT WITH ISRAEL.

10. IT IS NOT POSSIBLE AT THIS POINT TO SAY WHERE THIS REVIEW OF EGYPT'S POSITION AND FUTURE COURSES OF ACTION IS LEADING. IT DOES APPEAR, THOUGH TO BE SOMEWHAT MORE GENUINE THAN MANY DEVICES WHICH SADAT HAS USED (THE "YEAR OF DECISION," FOR EXAMPLE, OR VARIOUS FOREIGN AND DOMESTIC INITIATIVES) AS STOP-GAP MEASURES AIMED AT DIVERTING ATTENTION FROM THE COUNTRY'S MOST PRESSING PROBLEMS. MOREOVER, IT IS MORE REASONABLE. IT DOES NOT ATTEMPT TO PUT FORTH DEVELOPMENT PROGRAMS WHICH CANNOT BE FINANCED, OR SUMMON THE NATION TO A WAR WHICH CANNOT BE WON. INSTEAD, IT FORESEES AN EXTENDED PERIOD OF MANEUVER DURING WHICH EGYPT WILL CONCENTRATE HER ENERGIES ON USING THE WORLD'S INCREASING NEED FOR "ARAB POTENTIALS" --OIL--AS A FACTOR IN HER FAVOR. THE WORKING PAPER SUGGESTS STRONGLY THAT DURING THIS PERIOD HOSTILITIES ARE NOT LIKELY, BUT AT THE SAME TIME IT GIVES NO INDICATION THAT THE POSSIBILITIES OF SETTLEMENT WILL BE INCREASED. IN SUM, IT FORESEES NEITHER WAR NOR PEACE, BUT IS AN

ATTEMPT TO STATE WHY AND HOW EGYPT SHOULD HOLD TO ITS  
PRESENT GENERAL COURSE WHILE APPLYING PRESSURES ON OTHERS  
--THE NON-ARAB WORLD IN PARTICULAR--TO CHANGE THE ME  
SITUATION.  
WILEY

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## Message Attributes

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